



OCTOBER 15, 1955



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LIVELY ISSUES

THIS is the season when League members around the country turn their thoughts to choosing a program for the coming two years. Between now and the end of April, when we meet in Convention in Chicago, our minds will survey the national scene and we will look down numerous vistas which promise interest and satisfaction. After April, we will walk briskly along the chosen path, pausing sometimes for direction or refreshment, and casting only occasional glances over our shoulders at the ways we might have gone.

What shall it be? From agriculture to trade, from stateless Alaska to turbulent Algeria, the list stretches away, alphabetically and geographically. What do we think about farm supports—rigid, flexible, or none at all? Should we weigh the pros and cons of government subsidies and grants-in-aid? What of the conservation of the soil, or the control and use of natural resources? Who should plan for an adequate water supply or develop the power potential? Will the atom supplant the dam? Are we the ones to find out?

What are they thinking of in Washington? The reports of the second Hoover Commission are in. Though many administrative suggestions have already been put into effect, bills on a variety of subjects are before the Congress—"program" budgeting, an expanded Budget Bureau; the setting up of an administrative court to deal with judicial phases of tax, labor, and trade regulations; civil service reforms; elimination of inequities in the sale of power between public and private producers.

The Commission on Intergovernmental Relations has issued its report. Various parts of it are being

discussed by the agencies involved. This report contains food for thought on areas of local, state, and national government as well as their interrelationships in a wide variety of fields such as natural resources, tax structure, social welfare.

The government is already moving to dampen down inflationary tendencies by tightening up credit. More drastic measures may be in the offing.

The League does not pull its national program out of a hat. The program-making process involves several steps and extends over a period of many months before final decisions are made in Convention. Members in local Leagues all over the country get their heads together to weigh one lively issue against another and measure each issue against League yardsticks such as: "Is this a good subject to carry out the purpose of the League?" "Can we be effective in this field?" and "Are there time, funds, and woman-power available to do a good job?"

The 1956-58 program is already under discussion in many Leagues. Members choose the road the League will follow. Which way do you want to go?



Debate has begun on the reduction of taxes. Whose taxes? How much? When? Before the budget is balanced? Before the election?

Committees (and Subcommittees) of the Congress are conducting hearings on the state of the national economy, looking into such questions as antitrust legislation, labor relations, government and small business, federal debt limitation, and the improvement of economic statistics.

The approach of the presidential election is producing a fresh interest

in a variety of subjects—change in the electoral system, revision of the laws regulating campaign expenditures, extension of the system of preferential primaries by federal grants to help meet the costs.

The November White House Conference on Education may produce some long-range plans for meeting the current crises in educational finance and the shortage of teachers. Extension of the coverage of Social Security is still under discussion. The health insurance proposals made by the Administration are still before the Congress, as is the program for highway construction.

The philosophy and the procedures of our immigration laws, and of our handling of passports, remain highly controversial. Who should come? Who should go?

In the security field, at present there are two highlights of interest: the as-yet unappointed bipartisan commission on government security to review the procedures for screening federal employees, and the hearings on those procedures being conducted by a Senate Subcommittee. It is conceivable that the commission might do a general overhaul job, and that the Senate Committee might proceed to a survey of the whole federal civil service. Such a survey might also receive stimulus from consideration of the Hoover recommendation for a "senior service" within the federal government.

Other lively subjects in the security field include the use of wire-tap information, revision of the Attorney General's list, and the application of martial law in times of national emergency.

Study of the policies under which the peaceful uses of atomic energy can best be encouraged has security as well as other aspects.

Changing international develop-

Does O-D-M Spell Trade?

A FEW days ago the Office of Defense Mobilization, which is a part of the Executive Office of the President, warned all oil importers to restrict imports of residual fuel oil or face governmentally imposed restrictions. This action indicates a new policy in foreign economic and defense affairs, that of protecting, in the name of national defense, certain domestic industries from foreign competition.

The reasoning behind the policy is this: many industries produce materials which have been and probably would be used in war. If these industries are not kept strong, they might not be able to convert quickly to defense production.

Protecting a domestic industry from foreign competition is, of course, not the only way in which the government can help an industry considered vital to national defense. Other methods include stock-piling raw materials, defense contracts, and exemptions from certain taxes. Protecting domestic industries against foreign competition, however, is receiving more public attention because the Congress, last June, in renewing the Trade Agreements Act, specifically directed the President to adjust the level of imports whenever they appeared to threaten the national security. The agency designated to determine when national security is threatened is the Office of Defense Mobilization and the action to be taken by the President presumably would be the imposition of quotas or higher tariffs.

LIVELY ISSUES—Continued

ments push the United Nations more to the front in world affairs. Its problems range from international control of atomic energy and the limitation of armaments to the development of backward areas, from Charter changes to security arrangements.

Interest in the trade field is concentrating on such specifics as machinery for administering the General Agreements on Tariffs and Trade (OTC), aid to injured industries, increased pressures to restrict competitive imports, disposal of farm surpluses, and the extent and nature of East-West trade.

The road will be yours to choose, for choices must be made. Now is the time to influence the direction and the goal of the road we are to follow. The decisions will begin in

This new policy raises a number of questions. First, what is a national defense industry? The ODM has no set answer but prefers to judge each case on its merits. Last year the ODM recommended a tariff increase on certain watches on the ground that the skills of the watchmakers were unique and needed to be preserved, and the way to do this was to restrict entry of foreign watches.

Now, domestic oil companies say they cannot risk the investment of drilling for new wells if foreign competition is going to take away a large part of their market.

A recent article in *Foreign Affairs* listed other cases: "The lace manufacturers claimed defense status because they manufactured mosquito netting; the glove manufacturers because they made soldiers' gloves . . . and the lead-pencil producers simply because pencils were 'indispensable.'"

An official of the ODM also believes that the chemical industry must be allowed to expand or it could not fulfill defense requirements. He implied that if this expansion were not forthcoming, chemical imports might have to be restricted.

There is a second question ODM must consider: Is it really good defense strategy to place protection of domestic industries from foreign competition over other considerations? Our military strategy is based on the assumption that allies would be essential in winning a war.

your own League discussions. For the greatest pleasure and satisfaction in the coming years, share in the planning now.

1956 Convention Deadlines

On August 1 the national President sent to local, state, and territorial Leagues the first call to the 22nd national Convention, to be held at the Sherman Hotel, Chicago, Illinois, April 30 through May 4, 1956.

Deadlines appear below (for details see national By-laws). Dates given mean post-mark dates.

October 30, 1955: Suggestions to be sent to the chairman of the Nominating Committee.

November 30, 1955: Recommendations for Current Agenda, for changes in Platform, and for amendments to the national By-laws to be sent to the national Board.

February 15, 1956: Proposed Current Agenda, proposed changes in Platform, and proposed changes in By-laws to be sent to the Leagues by the national Board.

April 9, 1956: Recommendations for changes in the proposed Current Agenda to be sent to the national Board.

Allies would be needed not only for manpower but for the air and naval bases they could provide; and they supply us with a great many goods and materials, the demand for which mounts in a war.

Also, it is widely accepted that even if no war comes it is essential that the economies of free nations remain healthy enough to withstand the pressures of Communist efforts.

If these assumptions are true, what will happen to the economies of friendly nations if the United States acts to restrict their ability to trade with us? If we restrict oil imports from Venezuela, would the Venezuelans stop drilling for oil? If so, how can the country earn the dollars to keep buying its necessary imports? If we restrict imports of lace, gloves and chemicals from Western European nations, what effect would this have on their economic and military strength? If we restrict imports of machinery and textiles from Japan, would Japan's products aid the war potential of Communist China?

Are we right, then, to give priority to the protection of important home industries from foreign competition? Some suggest that an industry which cannot adjust to foreign or any kind of competition is one which will not be able to adjust quickly in war; that the way to be prepared to serve the country is to develop new products and new techniques; and that without competition the incentive to improve is weakened. Those who export say that if certain domestic industries feel they must be protected from imports in order to keep production high, then exporters can argue that export markets must be maintained in their industries for the same reason, and that this means expanding trade both ways.

Perhaps as the ODM and the other agencies of the government face these questions, the conflicts which now appear in our defense and trade policies will be resolved. Until they are, we and the rest of the world will be unsure which defense strategy we are following.

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